



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-35-2014)

Foreign-Trade Zone (FTZ) 177 – Indianapolis, Indiana
Notification of Proposed Production Activity
Best Chair, Inc. d/b/a Best Home Furnishings
(Upholstered Furniture)
Ferdinand, Cannelton, and Paoli, Indiana

The Ports of Indiana, grantee of FTZ 177, submitted a notification of proposed production activity on behalf of Best Chair, Inc. d/b/a Best Home Furnishings (Best Home), located in Ferdinand, Cannelton, and Paoli, Indiana. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on April 22, 2014.

The Best Home facilities are located within Sites 5, 6, and 7 of FTZ 177 and currently have authority to conduct cut-and-sew activity using certain foreign micro-denier suede upholstery fabrics to produce upholstered furniture and related parts (upholstery cover sets) on a restricted basis (see, Board Order 1807, 77 FR 6536, 2-8-2012). Board Order 1807 authorized the production of upholstered furniture (sofas, sectionals, loveseats, chairs, and recliners) for a five-year period, with a scope of authority that only provides FTZ savings on a limited quantity (2.28 million square yards/year) of foreign origin, micro-denier suede upholstery fabric finished with a hot caustic soda solution process. All foreign upholstery fabric other than micro-denier suede fabric used in Best Home's production within FTZ 177 is subject to full customs duties.

The current request would add certain foreign status micro-denier suede fabrics finished with hot caustic soda and certain polyurethane fabrics to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials

and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Best Home from customs duty payments on the additional fabrics used in export production. On its domestic sales, Best Home would be able to apply the finished upholstery cover set (*i.e.*, furniture part) or finished furniture duty rate (free) for the additional fabrics (indicated below). Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The expanded scope of authority under FTZ procedures would only involve micro-denier suede upholstery fabrics finished with a hot caustic soda solution process (classified within HTSUS Headings 5407, 5512, 5515, 5516, 5801, and 5903), polyurethane fabrics backed with ground leather (5903.20.2500), and wet coagulation process, 100 percent polyurethane coated fabrics (5903.20.2500), as detailed in the notification (duty rate ranges from 7.5 to 14.9%). All other foreign upholstery fabrics used in the production activity would continue to be admitted to the zone in domestic (duty paid) status.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is *[insert 40 days from date of publication]*.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Pierre Duy at Pierre.Duy@trade.gov, or (202) 482-1378.

Dated: April 28, 2014

Andrew McGilvray
Executive Secretary

[FR Doc. 2014-10243 Filed 05/02/2014 at 8:45 am; Publication Date: 05/05/2014]